

# Connected Solutions Company Business Policy

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Panasonic Corporation

**Panasonic**

**FY2018 Summary**

FY2019 Business Policy

Mid- and Long-term Strategy

**Panasonic**

## FY2018 Results

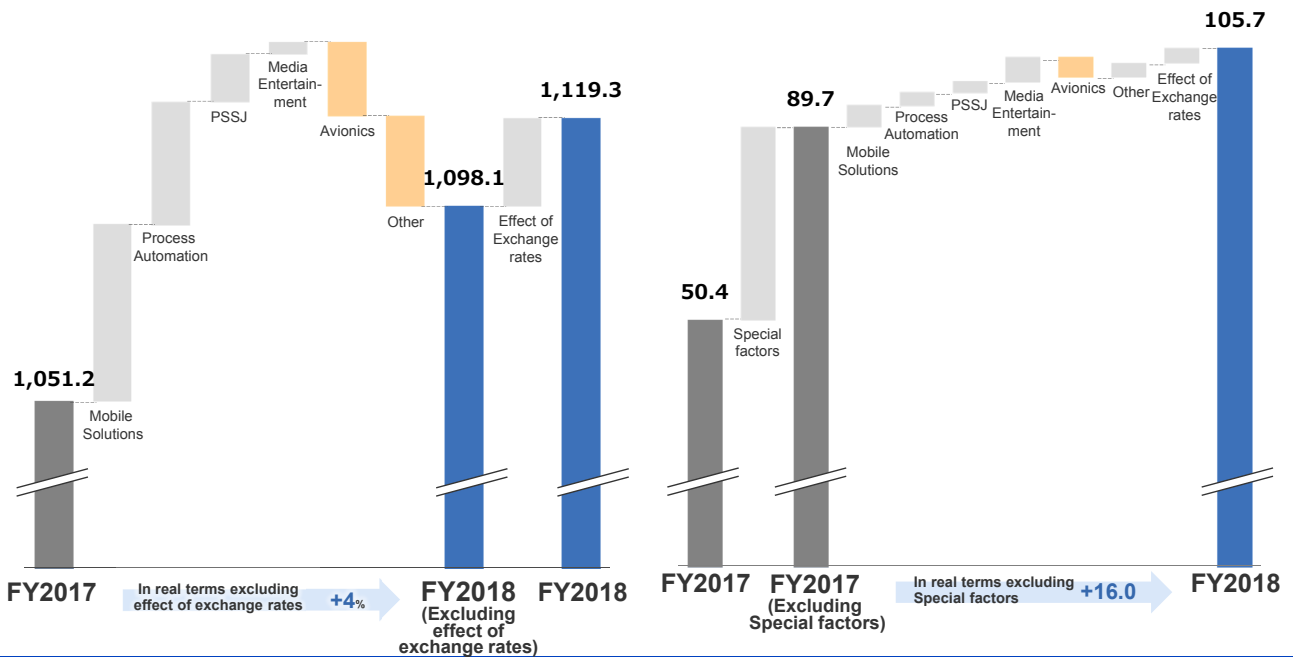
**Increased sales and profit for the first time in 2 years;  
other businesses covered Avionics's decrease**

### Sales

(yen: billions)

### Operating profit

(yen: billions)



**Panasonic**

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## Achievements in FY2018 and Challenges

### Achievements

- **Increased sales and profit** for the first time in 2 years since FY2016 (OP:105.7 billion yen)
- Achieved **profit ratio of 9.4%**  
Achieved profit ratio of 5% for all remaining Businesses a year early, following Avionics and Process Automation
- Maximized customer touchpoints and accelerated shift to solutions business
- Strengthened enterprise marketing
- Reformed the corporate culture toward a flat organization and agile management

### Challenges

- Further acceleration of overseas business expansion
- Growth for the avionics business

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# Customer Value Creation with New Solutions

## Smart gate for airports

Shorten arrival/departure times



## Spatial design for large events

Dynamic spatial design at events all over the world



High-brightness projectors

## Video management system for the police

Police in North America: Provide evidence video management service in the cloud to make it more efficient



## Electronic shelf tag for retailers

Streamline price change and shelving work with electronic shelf tags



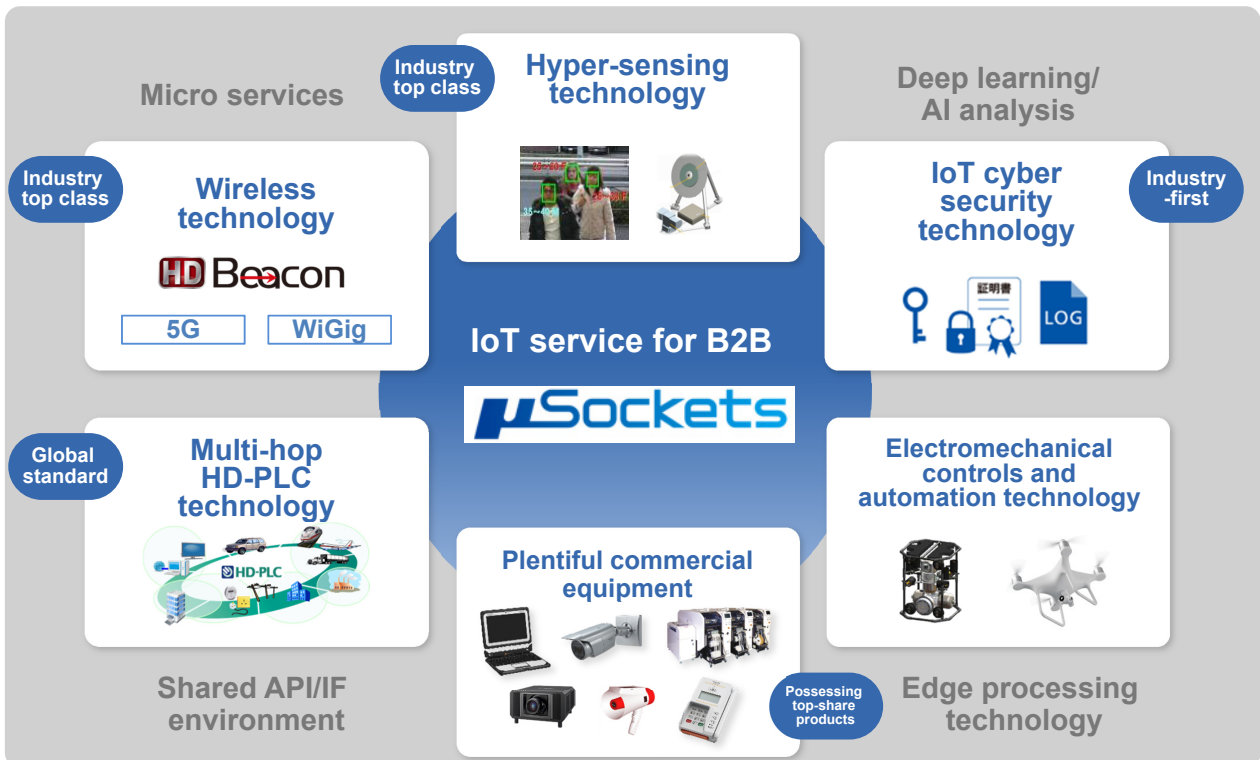
Price change with electronic shelf tags



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# μ Sockets: IoT Service for B2B

Freely utilize world top-class core technologies and product groups with IoT services




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# Strengthened Enterprise Marketing

## Strengthened marketing with consistency to raise recognition of B2B business


**TV ads**

Developed to In-train video ads, station ads, etc.




**Digital media**

Expansion of owned media, paid media, SNS, etc.



**Trade Shows**

Appeal with unified expressions from station to booth

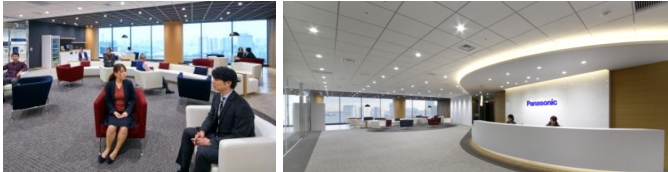


# Reformed the Corporate Culture

## Reform traditional Japanese corporate culture to work together throughout the company to maximize customer touchpoints and accelerate joint creation

**1. Maximizing customer touchpoints**

Shift of the Company's headquarters from **Osaka to Tokyo**  
Number of customer visitors **increased 2.7 times**




**2. Strengthening cross-organizational**

Gathering departments into an office in Tokyo  
Free addresses beyond departments

**3. Evolving communications**

Elimination of the President's office  
Utilization of business chats  
Open and speedy decision making



# FY2018 Summary

## FY2019 Business Policy

### Mid- and Long-term Strategy

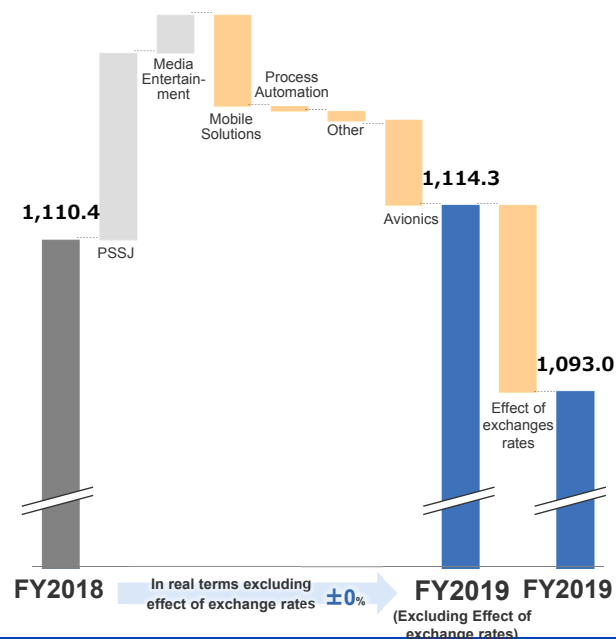


#### FY2019 Targets

Affected by weakening demand for large aircraft, however, aim to grow both sales and profits by further strengthening other businesses and expanding the scope to solution business

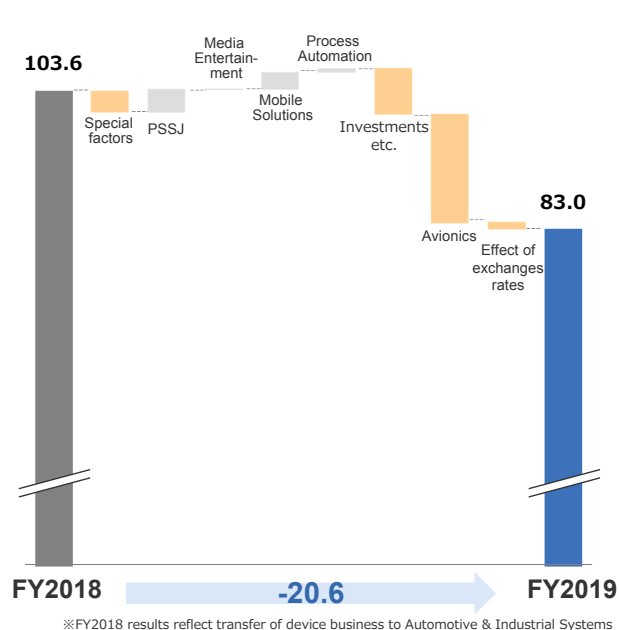
#### Sales

(yen: billions)



#### Operating profit

(yen: billions)





## List of Strategies for Disclosed Business Categories



### Avionics

- Aim for **growth through new digital solutions & services, as well as enhanced maintenance and repair capabilities**, by leveraging our broad IFEC (inflight entertainment + connectivity) customer base



### Process Automation

- **Expand value providing field** from single mounting machines to entire process of customers
- **Expand the automobile industry business** by strengthening lineup of welding system and enhancing next-generation laser processing machines



### Media Entertainment

- **Further strengthen core products** (e.g. high-brightness projectors), and develop solutions based for entertainment and education industries



### Mobile Solutions

- **Expand the supply chain solutions business** working with Zetes
- Strengthen the existing hardware business and **expand software business using our powerful hardware**

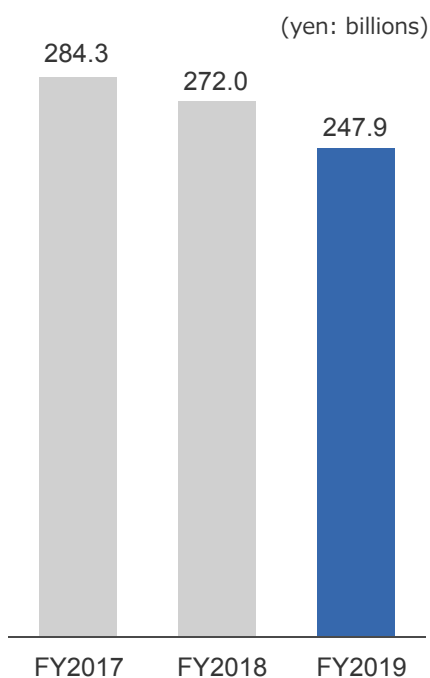


### PSSJ

- Focus on receiving more orders relating to **the Olympic and Paralympic Games**
- **Strengthen business for 3 key industries (public services, logistics/distribution, society)**

## Avionics

**Grow through new digital solutions & services, as well as enhanced maintenance and repair capabilities, by leveraging our broad IFEC (inflight entertainment + connectivity) customer base.**

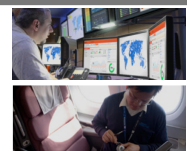


**Respond to various needs of airlines, including ancillary revenue and services, using an integrated platform with hardware, connectivity, and the cloud**

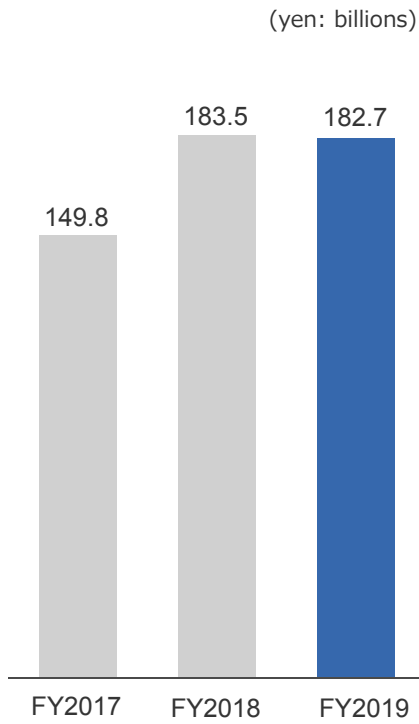


**Expand the repairs and maintenance business**

Leverage the global site (60+) network and qualified professionals (approx. 1,500) for business growth



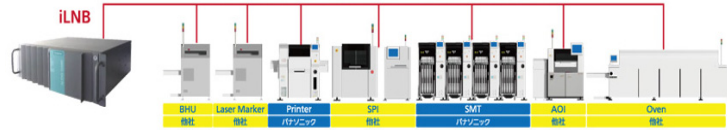
Expand value providing field from single mounting machines to entire process of customers



Provide services for connected mounting systems, process improvements, and solution proposals

Collective control of line by cooperation with SIEMENS

Loss reduction and quality improvement throughout the process



iLNB: Integrated Line Network Box

Improve productivity of automobile industry with new welding and processing system

**Arc welding System**

Improve production efficiency with high speed and high quality



Super Active TAWERS

**Laser welding System**

Provide multi-material processing with new laser technology



**LAPRISS**

Powered by

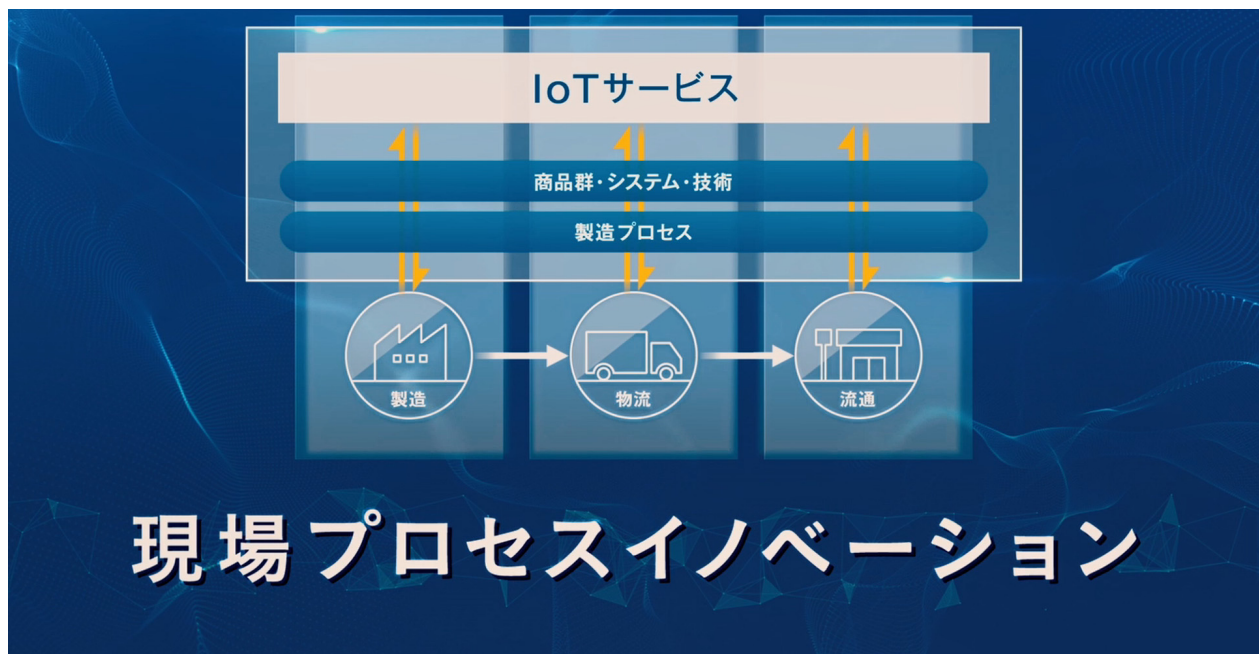


FY2018 Summary  
 FY2019 Business Policy  
**Mid- and Long-term Strategy**

Improve productivity and  
continuously generate value in  
operational front

# Gemba Process Innovation

## Gemba Process Innovation





**Market environment**

**Explosive expansion & increased complexity in logistics by EC development**

**Insufficient labor force**

**Spread of AI/IoT**

**Customer process reform needs**  
(from manufacturing to service industry)

**Panasonic's strengths**

- Differentiated technology (e.g. robotics)
- Know-how in manufacturing
- Last mile
- Customer base, relationship of trust

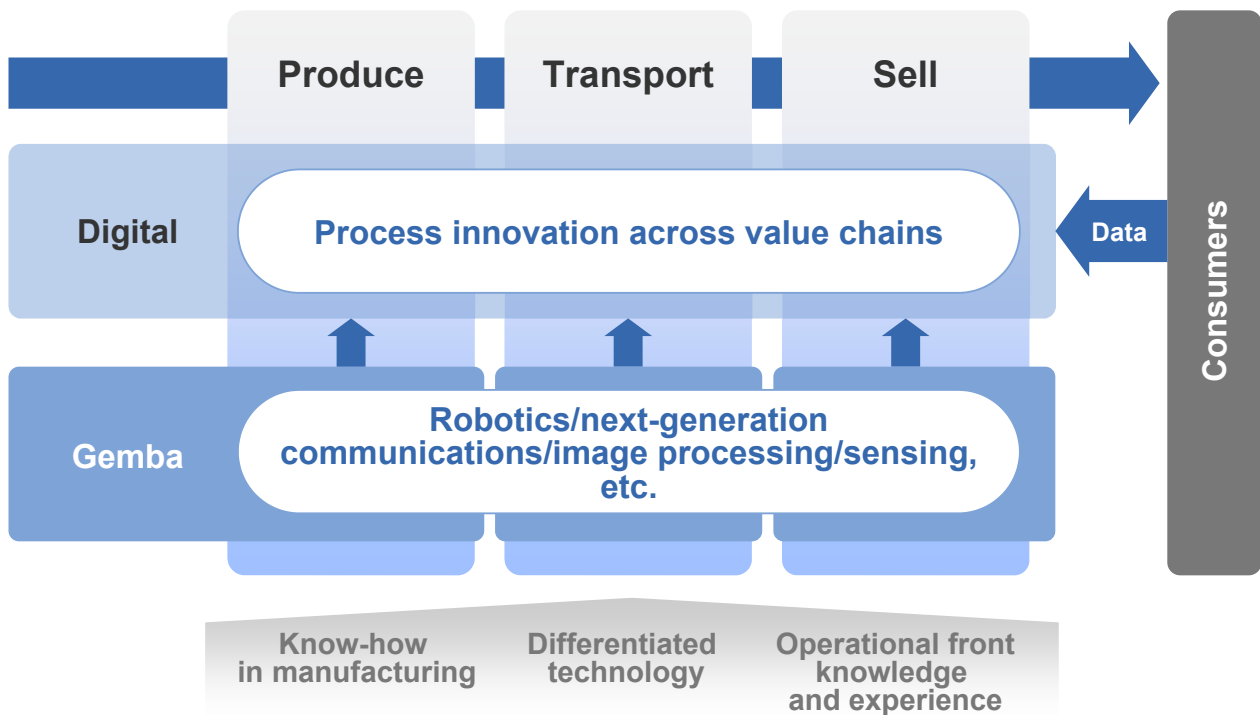
**Good position**

- Hard to copy
- Depth of solutions
- Continuity of collateral business

**Gemba Process Innovation**

**Gemba Process Innovation**

Leverage manufacturing know-how and robotics to innovate customer processes of producing, transporting, and selling



**Target vision**

As the customer's technology partner, **improve productivity** in the operational front and continuously **generate value** to contribute to growth of customers' businesses

**Accelerate  
Gemba Process Innovation**

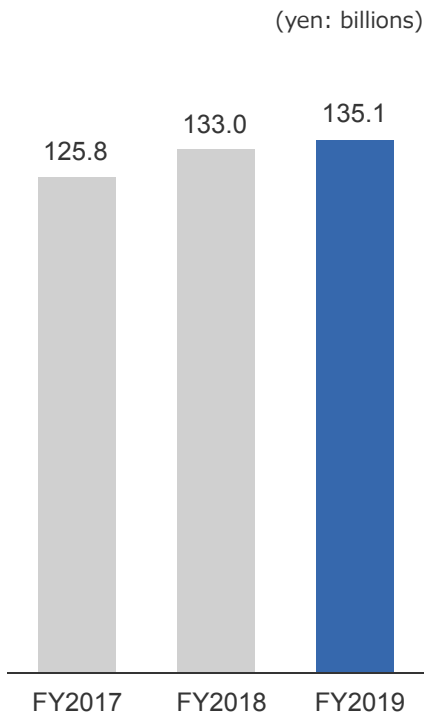
**Construct a solutions base**

**Sustainable High-profit Business Structure**

**Panasonic**

# Media Entertainment

## Further strengthen core products, develop solutions based on strengths



**Expand to entertainment and education industry making full use of the strengths of products**

Collaborate with content/planning companies and ICT vendors to develop solution based businesses



Entertainment



Education

**Further strengthen of core products that meet the needs of key industries**

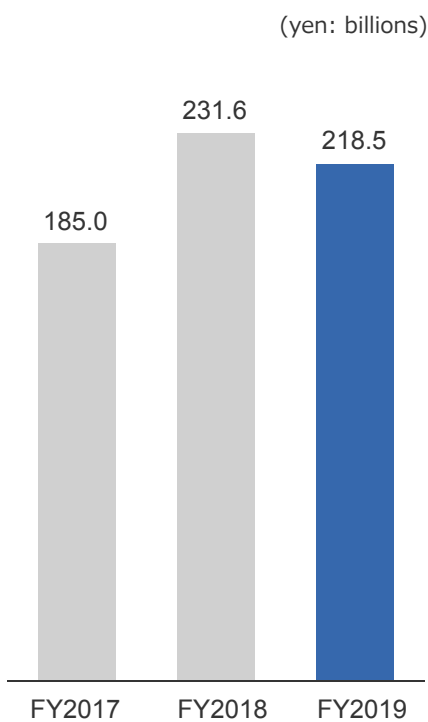
Concentrate resources on high-brightness projectors

Strengthen product strength of Production camera and Remote camera



# Mobile Solutions

## Shift from hardware-dependent to solutions business model

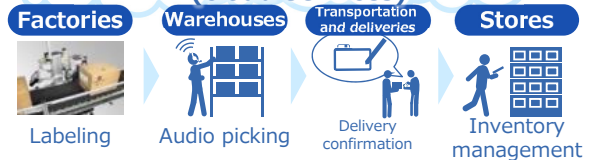


**Expand the supply chain solutions business**

Expand supply chain solutions fields and regions with Zetes



Visualization of all processes (cloud services)



- Expanding from upstream (factory) to downstream covering from labeling and cloud services
- Area : From Europe to Japan and U.S.

**Expand the software business using our powerful hardware**

PC + Work style reform support service

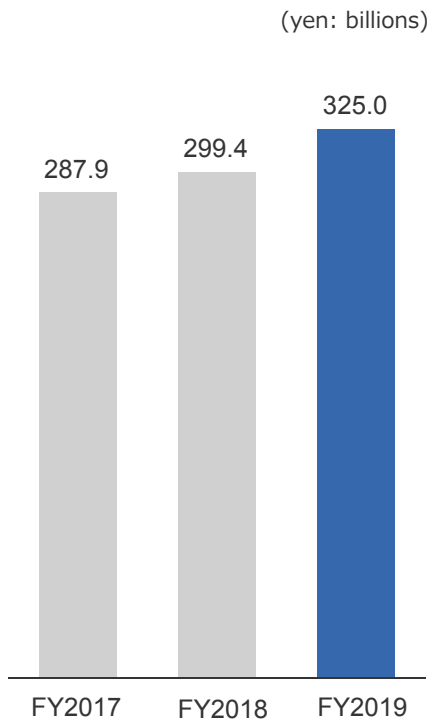
Fully-rugged handheld tablet + Payment terminal + application for logistics/distribution

Fully-rugged PC + Automotive solution



Payment terminal

Focus on receiving more orders relating to the Olympic and Paralympic Games



The Olympic and Paralympic Games

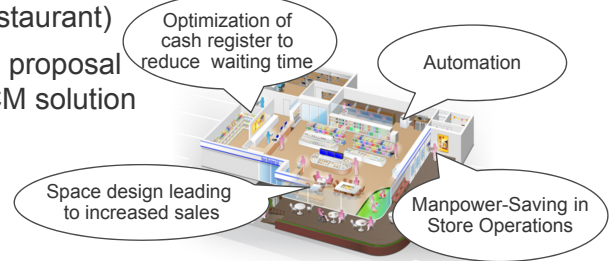
- Accelerate receiving orders with a dedicated organization (Production on Stadium, Security)
- Pioneering and promoting related proposals (Inbound etc.)



Explore new fields for Gemba process innovation

Logistics·Distribution

- Promotion of next-generation store solutions (Retail, Restaurant)
- Strengthen proposal for new SCM solution



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**(Reference) Disclosed Business Categories**

Business Categories		Main products and services
Avionics		In-flight entertainment systems, global communications services, repairs and maintenance
Process Automation		Chip mounters, Screen printers, FDP bonders, electronic component insertion machines, welding-related systems, lasers, integrated line control systems
Media Entertainment		Projectors, professional displays, professional broadcasting equipment, total spatial design solutions
Mobile Solutions		Personal computers, tablets, payment systems, supply chain solutions
Panasonic System Solutions Japan Co., Ltd. (PSSJ)		Development of system solutions(public systems, social systems, logistics/distribution, etc.), system integration, installation, operation, maintenance